

FORM 7

MONTHLY PROGRESS REPORT – October 2023

Name of Listed Issuer: **CANADIAN OVERSEAS PETROLEUM LIMITED** (the “Issuer”).

Trading Symbol: **XOP**

Number of Outstanding Listed Securities: **848,468,729 as at October 31, 2023**

Date: **November 3, 2023**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer continues to grow an oil and gas business in Wyoming, USA.

2. Provide a general overview and discussion of the activities of management.
Management focused on oil production at the Barron Flats Shannon Miscible Flood Unit ("BFU"), furthering the development of the large conventional oil discovery made in the Frontier sands at Cole Creek Unit.
Management continues working on refinancing its senior debt and obtaining additional financing for the Issuer's operation.
3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.
None to report.
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.
None to report.
5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.
None to report.
6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.
None to report, other than amendments to Bonds and Warrants and crystallization of the Issuer's crude oil and butane risk management contracts described in 13. below.
7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.
None to report.
8. Describe the acquisition of new customers or loss of customers.
None to report.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None to report.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None to report.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None to report.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None to report.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

On October 5, 2023, the Issuer signed with its lead bondholder, a purchase agreement to obtain additional financing of gross proceeds of US\$4.0 million. Further to this agreement, the terms of outstanding Bonds and Bondholder Warrants are modified as follows, with other terms remaining unchanged:

- the conversion price for each of the 2027 Bonds and the 2028 Bonds is £0.026 (US\$0.0317); and
- the exercise price for each Bondholder Warrant is £0.026 (US\$0.0317).

In addition, the agreement provides for three new 2028 Bonds with aggregate principal of US\$0.6 million (the "Directors Bonds") to be issued to the Issuer's non-executive directors in full satisfaction of all and any remuneration due from the Issuer to each such director for the year ending December 31, 2023. The Directors Bonds should be issued on the same modified terms and conditions as existing 2028 Bonds and can be issued no later than December 31, 2023.

On October 4, 2023, the Issuer signed a tenth amendment to the Senior Credit Facility ("SCF") agreement that provides for the Issuer to be able to elect a payment-in-kind of interest by increasing the outstanding principal amount of the SCF, rather than paying such portion of the interest in cash ("PIK Interest"). In addition, the amendment provides that such PIK Interest capitalization applies for the interest payment dates ending October 31, 2023, November 30, 2023, December 31, 2023 and January 31, 2024.

On October 4 and October 13, 2023, the Issuer executed the first and second amendment to the intercreditor agreement with its commodities swap counterparty and its SCF. The amendments provided for the crystallization of the Issuer's crude oil and butane risk management contracts and transform all obligations in respect

of these contracts outstanding as at the date of signing, into a loan ("Swap Loan") with an initial principal amount of US\$11.9 million. The Swap Loan bears interest at the same rate and calculation methodology as the SCF and has the same maturity on March 16, 2025. Interest for the initial four months of the Swap Loan, from October 2023 to January 2024 will be accrued and capitalized into the principal amount of the Swap Loan. The Amendments also provide for an initial principal repayment of US\$0.5 million, which the Issuer paid to the swap counterparty on October 16, 2023. Any further repayments of the Swap Loan or the SCF should be made to both counterparties, in a ratio based on total obligation due to these parties.

On October 13, 2023, the Issuer signed an eleventh amendment to the SCF agreement that provides for some changes to the definition of swap terminations and related defaults, to make them in line with amendments made to an intercreditor agreement signed on October 4, 2023 and October 13, 2023.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	126,182,965	October 10, 2023 - £0.026 (US\$0.0317) per share	US\$4.0 million gross proceeds to be used to fund US operations and for general working capital.
Common shares	8,265,203	October 23, 2023 - £0.026 (US\$0.0317) per share	In lieu of cash payments of approximately US\$0.3 million as a settlement of debt to creditors.
Bondholders' Warrants	126,182,965	Exercise price of £0.026 (US\$0.0317), expiry date - August 26, 2027.	

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None to report.

16. Provide details of any changes in directors, officers or committee members.

None to report.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Since Russia's invasion of Ukraine in early 2022 and the recent conflict in the Middle East, there have been emerging global concerns over oil and natural gas supply, which has resulted in more volatile benchmark commodity prices. Additionally, these conflicts contribute to increased inflationary pressures on governments, businesses and communities with costs rising since 2021. In response to increasing inflation, central banks around the globe began increasing interest rates. These events and economic conditions remain evolving situations that have had, and may continue to have, a significant impact on the Company's business, results of operations, financial condition and the environment in which it operates. Due to the uncertainty surrounding the magnitude, duration and potential outcomes of the above noted factors, management cannot reasonably estimate the length or severity of these events and conditions, or the extent to which they will impact the Company long-term, but the impact may be material.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated November 3, 2023.

Ryan Gaffney
Name of Director or Senior
Officer

"Ryan Gaffney"
Signature

CFO
Official Capacity

Issuer Details		For Month End	Date of Report YY/MM/D
Name of Issuer Canadian Overseas Petroleum Limited		October 31, 2023	23/11/3
Issuer Address 3200 – 715 5 th Ave SW			
City/Province/Postal Code Calgary, Alberta, Canada,T2P 2X6		Issuer Fax No. (403) 263 3251	Issuer Telephone No. (403) 262 5441
Contact Name Ryan Gaffney		Contact Position CFO	Contact Telephone No. (403) 262 5441 (403) 513 1903
Contact Email Address RGaffney@canoverseas.com		Web Site Address www.canoverseas.com	